

To: Utilities Interested in Momentum Savings

From: Carrie Cobb, BPA

Date: February 9, 2015

Subject: Revised Option for Allocating and Reporting Momentum Savings to Utilities

This memo outlines the revised option for developing Momentum Savings allocation portions and a reporting process for BPA's customer utilities, as discussed in a meeting between BPA and customer utilities on January 28th in Seattle¹. This option is still in draft form, and utility feedback is encouraged and appreciated. Comments are encouraged through **February 28**; BPA will then finalize the method and conduct the analysis.

Please submit comments to your EER or to Carrie Cobb at clcobb@bpa.gov by February 28, 2015. If utilities would like more information, please contact your EER with questions; BPA can set up a short phone call to address any questions your utility may have.

BPA has compiled a list of resources to describe Momentum Savings and the research that is underway which are available at: www.bpa.gov/goto/MomentumSavings.

Revised Option for Allocating Momentum Savings

The revised option is a hybrid of the originally proposed options, designed to reflect the feedback we have received to date. It uses a combination of U.S. Energy Information Administration (EIA) data, customer count and climate zone data to derive sector- and climate zone-specific allocations of Momentum Savings. Specifically, this option includes two methods, one for the residential and one for the non-residential sectors.

Non Residential

BPA will develop an allocation using each preference public utility's percent of total electric sales across a given heating or cooling zone, using retail sales data reported to EIA (note that this is different the TOCA percent used for EEI distribution), weighted by the relative size of the utility's heating or cooling zone. For example, if a public utility sold 3% of the total electric sales (including all forms of generation) in their heating zone, and their heating zone represented 40% of the total regional electric sales, then BPA would allocate 3% x 40%, or 1.2%, of the total non-residential heating Momentum Savings to that utility. The reason this approach includes climate zone is to account for the different savings values for each climate zone that could occur.

¹ To get a copy of the meeting notes from this meeting, please contact your EER.



Residential

BPA will use the same method described above, but replace total electric sales with residential customer count. In other words, the total residential heating Momentum Savings for a utility would be that utility's percent of total residential customers across a given heating zone, weighted by the relative size of the utility's heating zone. For example, if a public utility has 3% of the total residential customers in their heating zone, and their heating zone represented 40% of the total regional residential customers, then BPA would allocate $3\% \times 40\%$, or 1.2%, of the total residential heating Momentum Savings to that utility.

Pros of Revised Option

1. Simple and easy to implement and explain.
2. Underpinned by reliable publicly available data.

Cons of Revised Option

1. Might overstate non-residential savings for utilities without gas service in their territories because electric load is used to allocate the savings.
2. Might overstate non-residential savings for utilities with large industrial loads (a sector where Momentum Savings are not currently calculated outside of lighting). This could be mitigated by applying a simple discount factor to utilities with significantly large industrial load, and BPA would request such utilities to provide a factor, which would be provided by those utilities.

Revised Option for Reporting Momentum Savings

BPA will email Momentum savings reports annually to utilities that request reports concurrent with the currently reported NEEA savings reports. BPA will strive to finalize as many projects as possible by this date in order to provide actuals, but similar to NEEA's reporting. BPA reporting may include some forecasted and draft estimates, which will be updated in the following year.

Throughout the year, BPA will finalize projects and update savings numbers and projections. In order to provide utilities access to these real-time updates, BPA will provide self-serve reporting on the Momentum Savings webpage at www.bpa.gov/goto/MomentumSavings. Utilities will be able to download a simple excel spreadsheet to get the most up-to-date information on savings, split out by residential and non-residential and reported by utility.